

ANNUAL REPORT

THE CROW'S NEST PASS
COAL COMPANY, Limited



FOR YEAR ENDED
DECEMBER 31st, 1935.

BOARD OF DIRECTORS

W. R. Wilson	A. H. MacNeill, K.C.
L. C. Gilman	Charles Bocking
James T. Maher	Dr. G. W. Howland
Erasmus C. Lindley	Charles H. Locke
Thomas Balmer	

EXECUTIVE COMMITTEE

Charles Bocking, Chairman

W. R. Wilson	L. C. Gilman
James T. Maher	A. H. MacNeill, K.C.

OFFICERS

W. R. Wilson	President
A. H. MacNeill, K.C.	First Vice President
L. C. Gilman	Second Vice President
H. P. Wilson	General Manager
Geo. H. Hess, Jr.	Comptroller
A. A. Klauer	Treasurer
J. S. Irvine	Secretary
Welch, Anderson & Company	Auditors

TRANSFER AGENT

Toronto General Trusts Corporation, Toronto, Ont.

REGISTRAR

National Trust Company, Limited, Toronto, Ont.

TO THE SHAREHOLDERS OF

The Crow's Nest Pass Coal Company, Limited :

Herewith is submitted the Annual Report of your Company for the year ended December 31st, 1935.

There is included a Balance Sheet as of December 31st, 1935; also surplus account, together with certificate from your Auditors, Messrs. Welch, Anderson and Company.

The profit from all sources after depreciation and depletion amounted to \$218,131.34.

During the year the Coal Company spent on improvements the sum of \$37,110.91. From the sale of material, etc., there was realized the sum of \$8,989.27, leaving a net expenditure on improvements, during 1935, of \$28,121.64.

Dividends during the year were paid to the shareholders, amounting to \$372,708.00, equivalent to \$6.00 per share of stock outstanding at the end of the year. Of this amount \$2.00 per share or \$124,236.00 was authorized on December 29th, 1934, payable February 1st to holders of record at the close of business on January 10th, 1935. Other two payments totalling \$4.00 per share, and amounting to \$248,472.00, were distributions from depreciation and depletion reserve funds.

The operating loss for the year of the subsidiaries, the Crow's Nest Pass Electric Light and Power Company, Limited, after depreciation, was \$7,842.76, and of the Morrissey, Fernie and Michel Railway, after depreciation, \$62,424.12.

The tonnage of coal produced during the year amounted to 444,793 tons, as compared with 429,668 tons during 1934.

Coke produced during the year amounted to 27,066 tons, as compared with 24,841 tons during 1934.

By Order of the Board of Directors,

W. R. WILSON,
President.

Fernie, B.C.,
March 18th, 1936.

AUDITORS' REPORT AND CERTIFICATE

Toronto, Canada,
January 29th, 1936.

To the Shareholders,

The CROW'S NEST PASS COAL COMPANY, LIMITED,
Fernie, B.C.

Gentlemen :

We report that we have audited the books and accounts of your Company for the year ended December 31st, 1935, and certify that we have obtained all the information and explanations required.

We confirmed the Securities of the Company held for safekeeping by the Imperial Bank of Canada, Vancouver Branch, by certificate from the Depository.

The cash and bank balances were verified either by actual count or by certificate from the Depositories.

Investment in Subsidiaries on the attached statement is shown at cost. Deficits in such Subsidiaries, amounting to \$329,163.03 have not been provided for in the accounts of your Company.

We further certify that the attached Balance Sheet is, in our opinion properly drawn so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given us and as shown by the books of the Company.

WELCH, ANDERSON & COMPANY,
Chartered Accountants.

THE CROW'S NEST PASS COAL COMPANY, LIMITED

BALANCE SHEET — DECEMBER 31st, 1935.

Assets

Cash on hand and in banks	\$	730,413.10	
Accounts receivable		259,271.80	
Inventories of coal and mine supplies—at cost or useful value		106,132.37	
Bonds and shares (Market value \$589,871.69) at cost		537,953.78	
Bonds and shares (No established market value) at cost		13,850.00	\$1,647,621.05
Account receivable — subsidiary wholly owned		21,624.43	
Subsidiaries Shares — subsidiaries wholly owned—at cost		758,796.98	780,421.41
Mines, real estate, buildings, plant and equipment—at cost less amounts written off to Reserves		5,625,870.68	
Less Reserves :			
Depletion and depreciation		2,435,477.71	3,190,392.97
Prepaid expenses			2,063.03
			<u>\$5,620,498.46</u>

Liabilities

Accounts payable		19,782.44	
Accrued taxes and assessments		2,583.74	
Provision for Dominion of Canada 1935 Income Tax ..		24,301.31	
		46,667.49	
Due to subsidiary		88,994.28	
		135,661.77	
Deferred credits		3,396.79	139,058.56
Capital—authorized \$10,000,000.00 (100,000 shares of \$100.00 par value)			
Subscribed and paid up			6,212,666.66
Deficit as at December 31st, 1935		949,358.10	
Less Earned Surplus—1935		218,131.34	731,226.76
			<u>\$5,620,498.46</u>

This is Balance Sheet referred to in Auditors' Report.

Signed on behalf of the Board : W. R. WILSON, Director.

A. H. MacNeill, Director.

THE CROW'S NEST PASS COAL COMPANY, LIMITED

PROFIT & LOSS ACCOUNT — DECEMBER 31st, 1935.

Profit on coal and coke operations	\$	381,037.99	
Less : Executive Officers' salaries	\$	30,341.00	
Counsel and legal fees		2,293.70	
Directors' fees		4,000.00	
Depreciation		112,858.07	
Depletion		44,479.54	193,972.31
			<hr/>
			\$ 187,065.68
Add : Other Income :			
Interest on securities		25,806.10	
Interest on bank balances, exchange, etc., after amortization of investments \$74.90		7,643.64	
Sundry income		21,917.23	55,366.97
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PROFIT BEFORE INCOME TAX		242,432.65	
Less : Provision for Income Tax—1935		24,301.31	
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PROFIT FOR YEAR		218,131.34	<hr/>

Deficit Account—December 31st, 1935.

Distribution to Shareholders out of Depreciation and Depletion reserves to December 31st, 1934	698,195.90	
Add : Dominion of Canada tax adjustments years 1933 and 1934	2,690.20	
	<hr/>	700,886.10
Dividends declared and paid in 1935	248,472.00	
	<hr/>	(x) 949,358.10
Less : Profit for year ended December 31st, 1935	218,131.34	
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Deficit—December 31st, 1935	731,226.76	<hr/>

(x) This amount represents distributions paid or payable to shareholders to date out of Depreciation and Depletion reserves under powers conferred on the Company by Section 83, S.S. 4, of the Dominion Companies Act. These reserves represent wasted capital assets of the Company.

